

8222

RECEIVED
LEGISLATIVE AUDITOR
2008 JUL -1 AM 10:40

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

LAFITTE-BARATARIA-CROWN POINT
VOLUNTEER FIRE COMPANY

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/16/08

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) | 2-4 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| Statement of net assets | 5 |
| Statement of activities | 6 |
| FUND FINANCIAL STATEMENTS | |
| Balance sheet - governmental funds | 7 |
| Reconciliation of the governmental funds balance sheet to the statement of net assets | 8 |
| Statement of revenues, expenditures, and changes in fund balances - governmental funds | 9 |
| Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities | 10 |
| NOTES TO FINANCIAL STATEMENTS | 11-15 |
| COMPLIANCE AND INTERNAL CONTROL | |
| Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 16-17 |

UZEE, BUTLER, ARCENEUX & BOWES

CERTIFIED PUBLIC ACCOUNTANTS
2067 PAXTON STREET
HARVEY, LOUISIANA 70058

(504) 347-0441
FAX (504) 347-0467

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DOUGLAS L. UZEE, CPA
(1926 - 1988)
JAMES L. BUTLER, CPA
N. PAUL ARCENEUX, CPA
PATRICK J. BOWES, CPA

INDEPENDENT AUDITOR'S REPORT

To Board of Directors of the
Lafitte-Barataria-Crown Point Volunteer Fire Co.
Lafitte, Louisiana

We have audited the accompanying basic financial statements of Lafitte-Barataria-Crown Point Volunteer Fire Co., Lafitte, Louisiana, as of and for the year ended December 31, 2007, as listed in the table of contents. These basic financial statements are the responsibility of the Volunteer Fire Co.'s management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Lafitte-Barataria-Crown Point Volunteer Fire Co. at December 31, 2007, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2008 on our consideration of Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is listed in the accompanying Table of Contents and is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Managements Discussion and Analysis on pages 2 through 4, respectively, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
June 19, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY

Management's Discussion & Analysis (Unaudited)

In this section of the Fire Company's annual financial report management provides a narrative discussion and analysis of the financial activities of the Fire Company, for the year ended December 31, 2007.

FINANCIAL HIGHLIGHTS

Compared to previous years:

- Revenues and other financing sources are up \$106,779 or about 17%.
- Expenditures at the governmental fund level are up \$48,952 or about 8.5%.
- Excess of revenues over expenditures at the governmental fund level are up by \$57,827, or 957%.
- Unrestricted net assets at year-end increased by \$51,786 , or about 22%.

Contractual distributions from Jefferson Parish increased to \$433,336 in 2007 compared to \$396,507 in 2006.

Insurance and fuel were the major increases in 2007. Higher medical insurance premiums resulted in most of the increase in insurance expenditures.

OVERVIEW OF FINANCIAL STATEMENTS

Under governmental accounting standards, the Fire Company was required to adopt *Governmental Accounting Standards Board Statement No. 34* effective for its fiscal year beginning in 2005. Under such standards, financial statements must be presented on a government-wide basis in addition to the usual fund basis statements. As explained in the notes to the financial statements, the measurement focus basis is different for each category.

The government-wide financial statements provide both long-term and short-term information about the Fire Company's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector. Full accrual basis is employed and depreciation is recorded as an element of expenses.

The fund financial statements report short-term accountability focusing on the use of spendable resources available at year-end. The Fire Company has only one fund, its General Fund.

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY

Management's Discussion & Analysis (Unaudited) (Continued)

FINANCIAL ANALYSIS OF THE FIRE COMPANY *(dollars are in thousands)*

The Fire Company's net assets at year-end were \$980,746 of which \$278,303 was unrestricted. The following table provides a summary of the Fire Company's net assets.

| | <u>Governmental Activities</u> | <u>Percentage</u> |
|-------------------------------------|------------------------------------|-------------------|
| Assets: | | |
| Current assets | \$ 325,987 | 32% |
| Capital assets, net of depreciation | <u>702,443</u> | <u>68%</u> |
| Total assets | <u>1,028,430</u> | <u>100%</u> |
| Liabilities: | | |
| Current liabilities | <u>47,684</u> | <u>100%</u> |
| Total liabilities | <u>47,684</u> | <u>100%</u> |
| Net assets: | | |
| Investment in capital assets | 702,443 | 72% |
| Unrestricted | <u>278,303</u> | <u>28%</u> |
| Total net assets | \$ <u>980,746</u> | <u>100%</u> |

Changes in net assets are presented in the following summary:

| | <u>Governmental Activities</u> | <u>Percentage</u> |
|-------------------------------------|------------------------------------|-------------------|
| Revenues: | | |
| Program revenues: | | |
| Operating grants | 115,792 | 18% |
| General revenues: | | |
| Distributions from Jefferson Parish | 433,336 | 68% |
| Interest Income | 3,754 | 1% |
| Charitable Gaming | 49,540 | 8% |
| Fund-raises | 22,690 | 4% |
| Miscellaneous | <u>8,312</u> | <u>1%</u> |
| Total revenues | <u>633,424</u> | <u>100%</u> |
| Expenses: | | |
| Public safety | <u>601,533</u> | <u>100%</u> |
| Change in net assets-increase | 31,891 | |
| Beginning net assets | <u>948,855</u> | |
| Ending net assets | \$ <u>980,746</u> | |

As noted above, the Fire Company is heavily reliant on distributions from Jefferson Parish for its support. Distributions are made from property taxes and fire insurance premiums collected by the Parish for Fire Protection District No. 4.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY

Management's Discussion & Analysis (Unaudited) (Continued)

The Fire Company's major expenses for 2007 were salaries and wages (43%) and insurance (21%).

CAPITAL ASSETS

Investment in capital assets (property and equipment) is summarized below:

| | <u>Governmental Activities</u> |
|---------------------------------|------------------------------------|
| Depreciable assets: | |
| Buildings and improvements | \$ 773,794 |
| Equipment | <u>699,464</u> |
| Total depreciable assets | 1,473,258 |
| Less accumulated depreciation | <u>800,815</u> |
| Book value - depreciable assets | 672,443 |
| Book value - land | <u>30,000</u> |
| Total capital assets - net | \$ <u>702,443</u> |
| Depreciated percentage | <u>48%</u> |

CONTACTING THE FIRE COMPANY'S FINANCIAL MANAGEMENT

This financial report is designated to provide a general review of the Fire Company's finances and to demonstrate the Fire Company's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lafitte-Barataria-Crown Point Volunteer Fire Company, 2385 Jean Lafitte Blvd., Lafitte, LA 70067-3101.

BASIC FINANCIAL STATEMENTS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF NET ASSETS

DECEMBER 31, 2007

ASSETS

| | |
|---------------------|----------------------------|
| | Governmental Activities |
| Cash | \$ 325,987 |
| Capital assets, net | <u>702,443</u> |
| Total assets | <u>1,028,430</u> |

LIABILITIES

| | |
|-------------------------------------|---------------|
| Current liabilities: | |
| Accounts and other accrued payables | 22,684 |
| Due to Jefferson Parish | <u>25,000</u> |
| Total liabilities | <u>47,684</u> |

NET ASSETS

| | |
|----------------------------|--------------------------|
| Invested in capital assets | 702,443 |
| Unrestricted | <u>278,303</u> |
| Total net assets | \$ <u><u>980,746</u></u> |

See accompanying note to financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2007

| <u>Activities</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenues and Changes in Net Assets</u> |
|---|-------------------|---------------------------------|---|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | |
| Governmental Activities: | | | | | |
| Public Safety | \$ <u>601,533</u> | \$ <u>-0-</u> | \$ <u>115,792</u> | \$ <u>-0-</u> | \$ <u>(485,741)</u> |
| Total | <u>601,533</u> | <u>-0-</u> | <u>115,792</u> | <u>-0-</u> | <u>(485,741)</u> |
| General Revenues: | | | | | |
| Grants and contributions not restricted to specific programs | | | | | 433,336 |
| Interest income | | | | | 3,754 |
| Charitable gaming | | | | | 49,540 |
| Fundraisers | | | | | 22,690 |
| Miscellaneous | | | | | <u>8,312</u> |
| Total general revenues | | | | | <u>517,632</u> |
| Changes in net assets - increase | | | | | 31,891 |
| Net assets at beginning of year | | | | | <u>948,855</u> |
| Net assets at end of year | | | | | \$ <u>980,746</u> |

See accompanying notes to financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2007

| | <u>General Fund</u> |
|--|--------------------------|
| ASSETS | |
| Cash | \$ <u>325,987</u> |
| Total assets | \$ <u><u>325,987</u></u> |
| LIABILITIES AND EQUITY | |
| Liabilities: | |
| Accounts payable | 15,333 |
| Due to other government (Jefferson Parish) | 25,000 |
| Accrued wages | <u>7,351</u> |
| Total liabilities | \$ <u>47,684</u> |
| Equity: | |
| Fund balance: | |
| Unreserved - undesignated | <u>278,303</u> |
| Total fund balance | <u>278,303</u> |
| Total liabilities and fund balances | \$ <u><u>325,987</u></u> |

See accompanying notes to financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

DECEMBER 31, 2007

Total fund balances of governmental funds at December 31, 2007 \$ 278,303

Amounts reported for governmental activities in the government-wide
statement of net assets are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds financial
statements. Those assets consist of:

| | |
|-------------------------------|----------------|
| Land and buildings | \$ 803,794 |
| Equipment | <u>699,464</u> |
| | 1,503,258 |
| Less accumulated depreciation | <u>800,815</u> |

| | |
|---------------------|----------------|
| Capital assets, net | <u>702,443</u> |
|---------------------|----------------|

Total net assets of governmental activities at December 31, 2007 \$ 980,746

See accompanying notes to financial statements.

**LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

YEAR ENDED DECEMBER 31, 2007

| | <u>General Fund</u> |
|---|--------------------------|
| Revenues: | |
| Intergovernmental: | |
| Jefferson Parish (for contractual services) | \$ 433,336 |
| State supplemental pay | 27,120 |
| Federal grant | 82,206 |
| State Grant | 6,466 |
| Interest income | 3,754 |
| Charitable gaming | 49,540 |
| Fundraisers | 22,690 |
| Miscellaneous | <u>8,312</u> |
| Total revenues | <u>633,424</u> |
| Expenditures: | |
| Public Safety: | |
| Current operating: | |
| Salaries and related taxes, including state supplemental pay of \$27,120 | 256,540 |
| Dues and subscriptions | 803 |
| Fire prevention & training | 1,960 |
| Fuel | 13,722 |
| Insurance | 126,428 |
| Membership activities | 34,153 |
| Miscellaneous | 39,402 |
| Office expense | 3,445 |
| Professional services | 4,869 |
| Repairs and maintenance | 32,388 |
| Taxes and licenses | 80 |
| Uniforms | 4,560 |
| Utilities and telephone | 28,019 |
| Capital outlay - purchase of equipment | <u>35,269</u> |
| Total expenditures | <u>581,638</u> |
| Excess of revenues over expenditures | 51,786 |
| Fund balance at beginning of year | <u>226,517</u> |
| Fund balance at end of year | <u>\$ 278,303</u> |

See accompanying notes to financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2007

| | |
|--|-----------|
| Total changes in fund balances at December 31, 2007 per Statement of Revenues, Expenditures, and Changes in Fund Balances | \$ 51,786 |
|--|-----------|

Amounts reported for governmental activities in the Government-Wide
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the government-wide Statement of Activities, the
cost of those assets is allocated over their estimated useful
lives and reported as depreciation expense.

| | |
|--|-----------------|
| Capital outlay which is considered expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances. | 35,269 |
| Disposition of Assets, Net | (6,220) |
| Depreciation expense for the year ended December 31, 2007 | <u>(48,944)</u> |

| | |
|---|--------------------|
| Total changes in net assets at December 31, 2007 per Statement of Activities | \$ <u>(31,891)</u> |
|---|--------------------|

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

Introduction

Lafitte-Barataria-Crown Point Volunteer Fire Company (the Fire Company) was created in 1950 under the non-profit corporation provisions of Louisiana Revised Statutes 12:202. The Fire Company contracts with the Parish of Jefferson, State of Louisiana to provide fire protection and related services to a portion of the 4th Fire Protection District of the Parish of Jefferson.

Because the Fire Company receives the vast majority of its financial support from the Parish of Jefferson to provide a public service, it is considered a quasi-public entity for financial reporting purposes. Accordingly, the accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(1) Summary of Significant Accounting Principles

A. Financial reporting Entity.

The accompanying financial statements include all funds and activities which are controlled by the Fire Company. Control is based on application of the criteria established by the GASB for determining the reporting entity. The basic criteria, but not the only, is the ability to exercise oversight responsibility. Oversight responsibility is derived from, among other things, the ability to significantly influence operations. Based on the foregoing criteria, there are no component units which have been combined with the Fire Company to form the reporting entity, nor are there any potential component units which should be combined with the Fire Company to form the reporting entity.

B. Basis of Presentation.

The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Statement 34 was adopted by the Fire Company in the year 2007 resulting in the restatement of the net assets at the beginning of the year for the following changes.

| | |
|--|-------------------|
| Fund balance of governmental funds, as previously reported | \$ 226,517 |
| Add capital assets | 1,491,312 |
| Less accumulated depreciation | <u>(768,974)</u> |
| Net assets at beginning of year | \$ <u>948,855</u> |

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Fire Company as a whole. These statements include all the financial activities of the Fire Company. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued) December 31, 2007

(regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Fire Company's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Fire Company, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, are presented as general revenue.

Fund Financial Statements (FFS)

The Fire Company uses funds to maintain his financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Fire Company functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. At December 31, 2007, the Fire Company had only one governmental fund, its General Fund. This fund is the primary operating fund of the Fire Company and it accounts for all financial resources.

C. Measurement Focus/Basis of Accounting.

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements (GWFS) are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expense) in total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements (FFS) are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available) and expenditures are recorded when the related liabilities are incurred. All revenues are considered available if they are collected within 60 days after the fiscal year ends. The Fire Company's accounting records for its General Fund are maintained on the cash basis of accounting during the year and converted to the modified accrual basis of accounting for financial reporting purposes at year end. Under the modified accrual basis of accounting, revenues and expenditures are recognized as follows:

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2007

Revenues

The Fire Company has a contractual agreement with the Parish of Jefferson under which the Fire Company is to provide fire protection and related services in a specifically designated area of Fire Protection District No. 4. The agreement provides that the Fire Company is to receive from the Parish a sum of money in monthly installments which will represent the net proceeds of the property tax levied annually by Fire Protection District No. 4. The Fire Company also receives from the Parish the 2% fire insurance premium tax which the Parish receives from the State of Louisiana for Fire Protection District No. 4. The proceeds of the property tax (\$420,000) and the 2% fire insurance premium tax (\$13,336) are reported as intergovernmental revenue from contractual services in the accompanying statement of revenues and expenditures. Revenues from contractual services are reported as revenues of the period for which received. All other revenues are reported in the period in which received.

Expenditures

Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D. On-behalf Payments.

Supplemental pay which is paid directly to employees of the Fire Company by the State of Louisiana, Department of Public Safety, are recognized as intergovernmental revenue and salaries expenditure in the year in which paid.

E. Budget.

The Fire Company is not legally required to adopt a budget and a budget was not adopted; therefore, a comparison of actual results with a budget is not presented in the accompanying financial statements.

F. Capital Assets.

Capital assets are recorded as expenditures (capital outlay) in the General Fund when purchased. Purchased fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair market value on date received. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives.

| <u>Asset Class</u> | <u>Estimated Useful Lives in Years</u> |
|----------------------------|--|
| Buildings and improvements | 20 and 50 |
| Equipment | 5-10 |

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2007

G. Estimates.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash

At December 31, 2007, the carrying amount of the Fire Company's bank deposits was \$325,987 and the bank balances were \$290,085 all of which is covered by federal depository insurance.

(3) Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2007 are as follows:

| <u>Governmental Activities</u> | <u>Balance January 1, 2007</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance December 31, 2007</u> |
|--------------------------------|--|--------------------|------------------|--|
| Land | \$ 30,000 | \$ -0- | \$ -0- | \$ 30,000 |
| Buildings and improvements | 773,794 | -0- | -0- | 773,794 |
| Equipment | <u>687,518</u> | <u>35,269</u> | <u>23,323</u> | <u>699,464</u> |
| Total | <u>1,491,312</u> | <u>35,269</u> | <u>23,323</u> | <u>1,503,258</u> |
| Less accumulated depreciation | | | | |
| Building and improvements | 209,292 | 17,249 | -0- | 226,541 |
| Equipment | <u>559,682</u> | <u>31,695</u> | <u>17,103</u> | <u>574,274</u> |
| Total | <u>768,974</u> | <u>48,944</u> | <u>17,103</u> | <u>800,815</u> |
| Capital assets, net | \$ <u>722,338</u> | \$ <u>(13,675)</u> | \$ <u>6,220</u> | \$ <u>702,443</u> |

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2007

(4) Economic Dependency

Substantially all of the Fire Company's public support is derived from funds provided by Jefferson Parish. On September 21, 2006, the Fire Company contracted with the Parish to provide fire-fighting and rescue services for a period of ten years.

(5) Leases

The Fire Company leases a portion of ground from Jefferson Parish for an annual rental of \$1. The Fire Company has constructed a fire station (#43) on the ground at a cost of \$110,000. This amount is included in the General Fixed Assets Group.

(6) Due to Jefferson Parish

On February 27, 2002 the Fire Company purchased a fire truck for \$50,000 with money advanced by Jefferson Parish. Repayment began in November of 2003 at the rate of \$500 per month. As of December 31, 2007 the unpaid liability is \$25,000.

(7) Contributed Services

A significant contribution of time is made by unpaid volunteers to accomplish the purpose for which the Fire Company was established. The value of this contributed time is not included in the accompanying financial statements because it is not susceptible to objective measurement or evaluation.

COMPLIANCE AND INTERNAL CONTROL

UZEE, BUTLER, ARCENEUX & BOWES

CERTIFIED PUBLIC ACCOUNTANTS
2067 PAXTON STREET
HARVEY, LOUISIANA 70058

(504) 347-0441
FAX (504) 347-0467

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DOUGLAS L. UZEE, CPA
(1926 - 1988)
JAMES L. BUTLER, CPA
N. PAUL ARCENEUX, CPA
PATRICK J. BOWES, CPA

REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To Board of Directors of
Lafitte-Barataria-Crown Point Volunteer Fire Co.
Lafitte, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lafitte-Barataria-Crown Point Volunteer Fire Co. as of and for the year ended December 31, 2007, which collectively comprise the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s basic financial statements and have issued our report thereon dated June 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s financial statements that is more than inconsequential will not be prevented or detected by the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafitte-Barataria-Crown Point Volunteer Fire Co.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.



Harvey, Louisiana
June 19, 2008